



An Analysis of Housing Finance Scheme at HDFC Bank

¹Akhilesh Dutta, ²Ameer jha, ³Govind Choudhary

NIET Greater Noida

ABSTRACT

The banking industry of India is now running in a dynamic challenge concerning both customer base and performance. Service quality, customer satisfaction, customer retention, customer loyalty and delight are now the major challenges in gripping the banking sector. Service quality plays a major role in getting customer satisfaction and creating brand loyalty in banking sector. Most of the literature reviews referred in the paper reveals that as compared to public sector; private sector bank customers' level of satisfaction is comparatively more in India. Human element acts an important role in perceived service quality as well as satisfaction. Public sector banks need to redefine the customer service parameter in order to compete with the nationalized private sector banks both in profitability and corporate image. This study is just a small step in understanding the multi-dimensional construct of service quality and its implications in competitive environment. This paper attempts to extract few dimensions of service quality as perceived by bank customers and compares with five major dimensions already extracted in past literature.

Keywords: Environment, Various, Expectations, Expand, Bank, Housing, Sector

Introduction

Reasons or the other, the housing sector in India has remained underdeveloped in the past, however, it is hoped that there would be improvement in the near future. Housing is a growing industry. There is substantial gap between demand and supply and is Housing is one of the best human needs of the society. It is closely linked with the process of overall socio-economic development of a country. India, being a highly populated country, there is a great need and scope for the development of Housing Sector. Unfortunately, for some persisting for a very long period. According to an estimate by the National Building Organization, the cumulative shortage of total dwelling houses in the country by the end of 1991 was 31 million. It is further estimated by this organization that the demand for housing will be around 4.5million units, leaving a gap of one million housing units annually. Hence, based upon this estimate, the cumulative shortage of housing may reach to 41million units by the end of this century. Presently funds required per dwelling shelter are so high that the individual's saving is not adequate to meet the expenditure of house building. As a result, there is great demand for external housing finance.

Literature Review

Haralayya, B., & Aithal, P. S. (2021). further states that the slow pace of popularity in usage of technology-based banking services in India are due to factors such as lack of early mass adaptors of technology-based banking services, slowness in adoption of internet by 40+ age group and lack of security and trust in technology-based banking service deliverables

Goyal, K. A., & Joshi, V. (2011). even though banks are heavily investing on designing new delivery channels, there are other factors that require prior attention. Such factors according to him include: understanding customers underlying attitude, their current channel or transaction behaviour and using highly sophisticated experimental or scientific customer research in order to design tactics to change customer's behaviour through economic impacts.

Goyal, K. A., & Babel, A. A. (2015). opines that mobile phones are the most convenient mode to provide mass marketing of banking services as these devices have higher rate of acceptance and penetration even among less educated sections of people. In fact, there are predictions that banking services through mobile devices could suitably replace brick and mortar branch banking in future.

Mishra, U. S., Sahoo, K. K., Mishra, S., & Patra, S. K. (2010). share similar views and opine that many customers today are looking for time and cost saving alternate delivery channels of banking services and are tired of old banking habits. Physical branch network banking involves waiting in long queues and requires moving from one counter to another to get even basic tasks accomplished, which is hectic, time consuming and cause unwanted delays [5]. Therefore, the demand for convenience banking of financial services is gaining more prominent among today's generation customers.

According to Horseman technology implementations in banks have helped them to achieve three major objectives such as:

1. To reduce operating cost
2. To generate revenue and

3. 3. To protect and increase market share.

Angur, M. G., Natarajan, R., & Jahera Jr, J. S. (1999). reports that typically it cost Rs. 50/- per transaction when conducted through brick-and-mortar branch banking, whereas it cost only Rs. 15 if done through technology-based service like ATM. Internet based banking are more cost effective and cost around only Rs. 4 per transaction, which is even lower than ATM devices.

Thus, it is seen that technological interventions among banks have delivered a host of benefits that can be consumed by customers of any geographical space. Against this onset it has become very important to know what are the prospects or challenges that the banking industry holds in the North East Region of India.

Objective

- To study how do get loan for construction of residential houses.
- To discuss housing credit more affordable.
- To know the sum of housing finance schemes.
- To discuss some tip for buying house.
- To study of terms and condition of home loan.

Need and scope of the study

- Among the financial services, housing finance creates employment, both directly and indirectly.
- Industries such as cement, brick manufacturing, sanitary products, electrical fittings and glass industries experience more demand due to house construction.
- Rural housing develops not only rural areas but prevents migration of labour to urban areas.
- Housing finance helps in creation of more houses which results in building up more infrastructure facilities, such as roads, electricity generation, drinking water facilities, etc.
- Factories or industrial establishments create townships by providing more housing facilities to their employees. Housing finance thereby reduces congestion in urban areas.

Limitation of study

1. Some of the respondents did not aware the terms and condition of home loan schemes.
2. Some of the respondents did not answer all the questions. This could hamper the final results to a certain extent.
3. We had limited time for conducting this survey report.

Company Profile and History of the company

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an “in principle” approval from the reserve bank of India (RBI) to set up a bank in the private sector, as part of the RBI’s liberalization of the Indian banking industry in 1994. The bank was incorporated in august 1994 in the name of ‘HDFC bank limited’, with its registered office in Mumbai, India. HDFC bank commenced operation as a scheduled commercial bank in January 1995.

Research Methodology

The research will be exploratory in nature. A population of peoples who take home loan from these banks will be considered for this study. I will try to explore about the home loans which would make a difference in the behaviour of the consumer. Effort will be made to throw light on most of the factors which have either indirect or direct effect on the behaviour of the consumer.

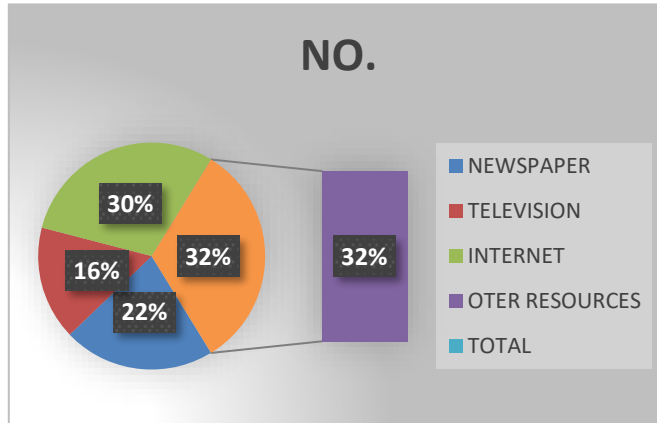
Data collection for quantitative research is done through the means of questionnaires, interviews, and under the focus of certain group debates. The questionnaire is made up of a series of questions, added by some occasional supplementary questions or prompts. Primary data is made applicable to carry out the considered study after the process of observing the necessity of the research. The use of a selective questionnaire format is managed to amass the data.

Research design

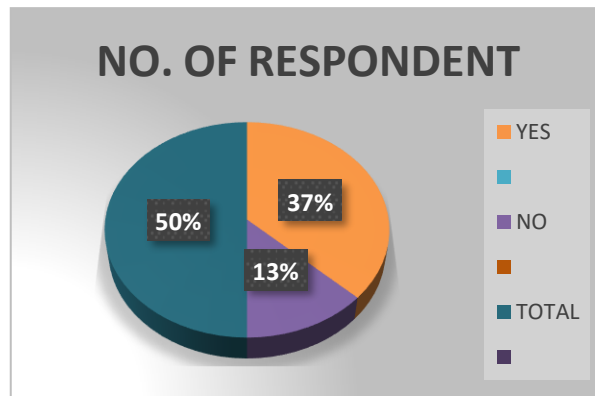
A sample of 50 people was taken into the study, and their data was collected.

Data analysis and interpretation

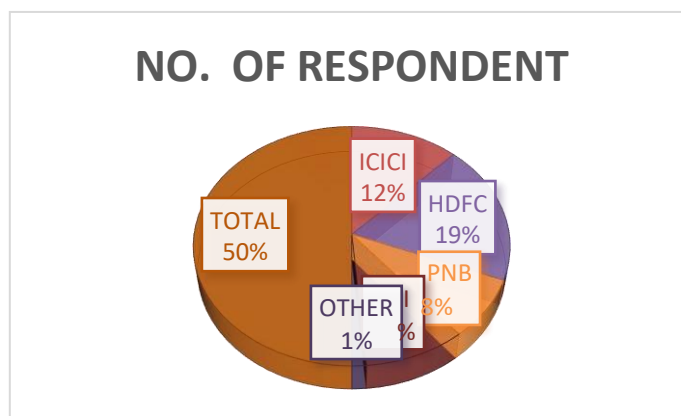
How do you come to know about the home loan schemes of that bank?



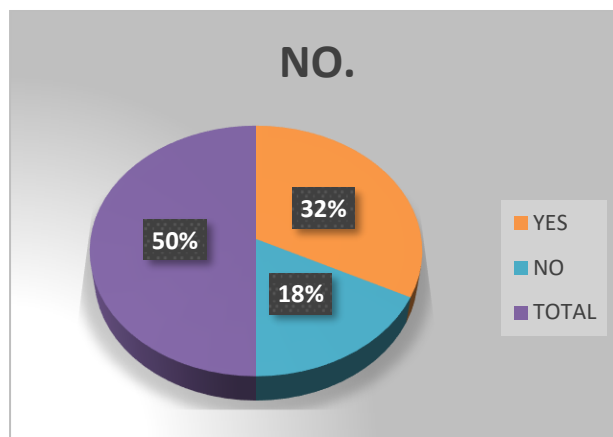
If you are makes or purchase your own home than are you like to take facility of Housing Finance?



The above column chart depicts that 74% person are taking home loan and only 26% are not taking home loan.



Are you aware all terms and conditions of home loans?



Conclusion

Housing is a growing industry. Various public and private institutions have entered in this field. These institutions have initiated various house financing schemes to cater the diversified needs of this sector. Besides the emerging and expanding institutional set up, the system of credit delivery of housing is still inadequate. The responsibility to provide house finance largely was rested with the Central Government till the early eighties. The setting up of the NHB in 1988, as the apex housing finance institution, was the beginning of the emergence of housing finance as a fund based financial service in the country. Its role falls into three categories promotional, financial and regulatory. Housing finance institutions must become self-sustaining units which work on full cost recovery basis and device innovative financial instruments to mobilize their resources from household sector.

Findings

- 1). According to this project report 74% interested in housing finance.
- 2.) 38% people like to take HDFC bank home loan. Because this bank gives well services.
- 3).I am finding in this project serve more bank use new technology like: internet banking, mobile banking, and fore banking.
- 4.) According to this serve customer satisfied low instalment schemes of bank.
- 5.) 72% people did not face any difficulty during taking the loan.

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